

AMENDED IN SENATE AUGUST 17, 2010

AMENDED IN SENATE JULY 15, 2010

AMENDED IN SENATE JUNE 16, 2010

AMENDED IN ASSEMBLY MAY 13, 2010

AMENDED IN ASSEMBLY MAY 6, 2010

AMENDED IN ASSEMBLY APRIL 27, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 2136

Introduced by Assembly Members V. Manuel Pérez and Salas
(Principal coauthor: Senator Ducheny)

February 18, 2010

An act to amend Section 8686 of the Government Code, to amend Section 50650.3 of the Health and Safety Code, and to amend Sections 218, 17207, and 24347.5 of, and to add Sections 195.170, 195.171, and 195.172 to, the Revenue and Taxation Code, relating to disaster relief, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2136, as amended, V. Manuel Pérez. Disaster relief: County of Imperial earthquake.

(1) ~~Under the California Disaster Assistance Act, a local agency may receive state financial assistance for a repair or restoration project, as defined, following the proclamation of an emergency. Existing law provides that the state share of the costs for an eligible project is generally no more than 75% of the total state eligible costs, but for~~

~~specific events, the state share is up to 100% of those costs, subject to the approval of the federal share of costs by the Federal Emergency Management Agency or another applicable federal agency.~~

~~This bill would add the earthquake that occurred in Imperial County on April 4, 2010, to the list of events eligible for the higher state share of costs.~~

~~(2)~~

~~(1) Existing law, the CalHome Program, authorizes funds appropriated for purposes of the program to be used to enable low- and very low income households to become or remain homeowners. Existing law permits CalHome Program financial assistance to be provided as a secured forgivable loan to an individual household to rehabilitate, repair, or replace manufactured housing in a mobilehome park that is not permanently affixed to a foundation. Existing law requires that these loans be due and payable in 20 years, with 10% of the original principal to be forgiven annually for each additional year beyond the 10th year that the home is owned and continuously occupied by the borrower.~~

~~This bill would require that loans provided pursuant to the CalHome Program Disaster Assistance for Imperial County that have been made for the purpose of rehabilitation, reconstruction, or replacement of lower income owner-occupied manufactured homes be due and payable in 10 years, with 20% of the original principal to be forgiven annually for each additional year beyond the 5th year that the manufactured home is owned and continuously occupied by the borrower.~~

~~(3)~~

~~(2) Existing law authorizes a county board of supervisors to provide by ordinance for the reassessment of property that is damaged or destroyed, without fault on the part of the assessee, by a major misfortune or calamity, upon the application of the assessee or upon the action of the county assessor with the board's approval. With respect to certain counties that have adopted reassessment ordinances and have been declared by the Governor to be in a state of emergency as a result of certain events, existing law provides for state allocations of the estimated amounts of the reductions in property tax revenues resulting in certain fiscal years from reassessments under those ordinances. Existing law also continuously appropriates, without regard to fiscal years, moneys in the Special Fund for Economic Uncertainties for purposes of funding these state allocations.~~

~~This bill would provide for similar state allocations with respect to property tax revenue reductions resulting from a reassessment for~~

damages incurred within the County of Imperial, which was declared by the Governor to be in a state of emergency due to the earthquake that occurred on April 4, 2010.

By requiring moneys continuously appropriated from the Special Fund for Economic Uncertainties to be allocated for the new purpose of reimbursing the County of Imperial for these property tax revenue reductions, this bill would make an appropriation.

(4)

(3) Existing property tax law provides, pursuant to a specified provision of the California Constitution, for a homeowners' property tax exemption in the amount of \$7,000 of the full value of a "dwelling," as defined.

This bill would prohibit any dwelling that qualified for the exemption prior to April 4, 2010, that was damaged or destroyed by the earthquake in the County of Imperial, and that has not changed ownership since April 4, 2010, from being denied the exemption solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to the earthquake.

(5)

(4) The California Constitution requires the Legislature, in each fiscal year, to reimburse local governments for the revenue losses incurred by those governments in that fiscal year as a result of the homeowners' property tax exemption.

This bill would state the intent of the Legislature to make this required reimbursement in the annual Budget Act. By requiring local tax officials to implement new exemption criteria, this bill would impose a state-mandated local program.

(6)

(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(7)

(6) The Personal Income Tax Law and the Corporation Tax Law provide for the carryover to specified taxable years of specified losses sustained as a result of certain disasters occurring in California in an

area determined by the President of the United States to warrant specified federal assistance, or proclaimed by the Governor to be in a state of emergency.

This bill would extend these provisions to losses sustained in the County of Imperial as a result of the earthquake that occurred in April 2010. This bill would authorize a taxpayer to make an election to claim a deduction for those losses on the tax return for the preceding year.

(8)

(7) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 8686 of the Government Code is amended~~
2 ~~to read:~~
3 ~~8686. (a) For any eligible project, the state share shall amount~~
4 ~~to no more than 75 percent of total state eligible costs.~~
5 ~~(b) Notwithstanding subdivision (a), the state share shall be up~~
6 ~~to 100 percent of total state eligible costs connected with the~~
7 ~~following events:~~
8 ~~(1) The October 17, 1989, Loma Prieta earthquake.~~
9 ~~(2) The October 20, 1991, East Bay fire.~~
10 ~~(3) The fires that occurred in southern California from October~~
11 ~~1, 1993, to November 30, 1993, inclusive.~~
12 ~~(4) The January 17, 1994, Northridge earthquake.~~
13 ~~(5) Storms that occurred in California during the periods~~
14 ~~commencing January 3, 1995, and February 13, 1995, as specified~~
15 ~~in agreements between this state and the United States for federal~~
16 ~~financial assistance.~~
17 ~~(6) The storms that occurred in California in December of 1996~~
18 ~~and early January of 1997, as specified in agreements between this~~
19 ~~state and the United States for federal financial assistance.~~
20 ~~(7) The winter storms and flooding that occurred from February~~
21 ~~1, 1998, to April 30, 1998, inclusive, as specified in agreements~~
22 ~~between this state and the United States for federal financial~~
23 ~~assistance.~~

1 ~~(8) The wildfires that occurred in southern California~~
2 ~~commencing October 21, 2003, as specified in agreements between~~
3 ~~this state and the United States for federal financial assistance.~~

4 ~~(9) The December 22, 2003, San Simeon earthquake, as~~
5 ~~specified in agreements between this state and the United States~~
6 ~~for federal financial assistance.~~

7 ~~(10) The severe storms, flooding, debris flows, and mudslides~~
8 ~~that occurred during December 27, 2004, to January 11, 2005,~~
9 ~~inclusive, in southern California, as specified in agreements~~
10 ~~between this state and the United States for federal financial~~
11 ~~assistance.~~

12 ~~(11) The severe storms, flooding, landslides, and mud and debris~~
13 ~~flows that occurred in southern California during the period from~~
14 ~~February 16 to February 23, 2005, inclusive, as specified in~~
15 ~~agreements between this state and the United States for federal~~
16 ~~financial assistance.~~

17 ~~(12) The severe storms, flooding, mudslides, and landslides that~~
18 ~~occurred in northern California during the period from December~~
19 ~~17, 2005, to January 3, 2006, inclusive, as specified in agreements~~
20 ~~between this state and the United States for federal financial~~
21 ~~assistance.~~

22 ~~(13) The severe storms and flooding that occurred in northern~~
23 ~~and central California during the period from March 29, 2006, to~~
24 ~~April 16, 2006, inclusive, as specified in agreements between this~~
25 ~~state and the United States for federal financial assistance.~~

26 ~~(14) The earthquake that occurred in Imperial County on April~~
27 ~~4, 2010.~~

28 ~~(e) For any federally declared disaster subsequent to January 1,~~
29 ~~1995, that the Legislature has designated in subdivision (b), the~~
30 ~~state shall assume the increased share specified in subdivision (b)~~
31 ~~in those cases where the Federal Emergency Management Agency~~
32 ~~or another applicable federal agency has approved the federal share~~
33 ~~of costs.~~

34 ~~(d) The state shall make no allocation for any project application~~
35 ~~resulting in a state share of less than two thousand five hundred~~
36 ~~dollars (\$2,500) under this section.~~

37 ~~SEC. 2.~~

38 ~~SECTION 1.~~ Section 50650.3 of the Health and Safety Code
39 is amended to read:

1 50650.3. (a) Funds appropriated for purposes of this chapter
2 shall be used to enable low- and very low income households to
3 become or remain homeowners. Funds shall be provided by the
4 department to local public agencies or nonprofit corporations as
5 either of the following:

6 (1) Grants for programs that assist individual households.

7 (2) Loans that assist development projects involving multiple
8 home ownership units, including single-family subdivisions.

9 (b) (1) Grant funds may be used for first-time homebuyer
10 downpayment assistance, home rehabilitation, including the
11 installation or retrofit of ignition resistant exterior components on
12 existing manufactured homes, mobilehomes, and accessory
13 structures required pursuant to Article 2.3 (commencing with
14 Section 4200) of Subchapter 2 of Chapter 3 of Division 1 of Title
15 25 of the California Code of Regulations, homebuyer counseling,
16 home acquisition and rehabilitation, or self-help mortgage
17 assistance programs, or for technical assistance for self-help and
18 shared housing home ownership.

19 (2) Home rehabilitation funding for the purpose of installing
20 ignition resistant components on manufactured homes,
21 mobilehomes, or accessory structures pursuant to this subdivision
22 shall not be conditioned upon the rehabilitation of additional or
23 unrelated home components unless that rehabilitation is required
24 pursuant to Article 2.3 (commencing with Section 4200) of
25 Subchapter 2 of Chapter 3 of Division 1 of Title 25 of the
26 California Code of Regulations. In administering funding for this
27 purpose, local public agencies and nonprofit corporations may
28 consider the condition and age of the manufactured home or
29 mobilehome, including whether the home was constructed on or
30 after June 15, 1976, in accordance with federal standards and
31 whether the available funds could be more effectively used to
32 replace the manufactured home or mobilehome.

33 (c) Except as provided in subdivision (e), loan funds may be
34 used for purchase of real property, site development,
35 predevelopment, and construction period expenses incurred on
36 home ownership development projects, and permanent financing
37 for mutual housing or cooperative developments. Upon completion
38 of construction, the department may convert project loans into
39 grants for programs of assistance to individual homeowners.
40 Financial assistance provided to individual households shall be in

1 the form of deferred payment loans, repayable upon sale or transfer
2 of the homes, when they cease to be owner-occupied, or upon the
3 loan maturity date. Financial assistance may be provided in the
4 form of a secured forgivable loan to an individual household to
5 rehabilitate, repair, or replace manufactured housing located in a
6 mobilehome park and not permanently affixed to a foundation.
7 The loan shall be due and payable in 20 years, with 10 percent of
8 the original principal to be forgiven annually for each additional
9 year beyond the 10th year that the home is owned and continuously
10 occupied by the borrower. Not more than 10 percent of the funds
11 available for the purposes of this chapter in a fiscal year shall be
12 used for financial assistance in the form of secured forgivable
13 loans.

14 (d) All loan repayments shall be used for activities allowed
15 under this section, and shall be governed by a reuse plan approved
16 by the department. Those reuse plans may provide for loan
17 servicing by the grant recipient or a third-party local government
18 agency or nonprofit corporation.

19 (e) Notwithstanding subdivision (c), loans provided pursuant
20 to the CalHome Program Disaster Assistance for Imperial County
21 that have been made for the purpose of rehabilitation,
22 reconstruction, or replacement of lower income owner-occupied
23 manufactured homes shall be due and payable in 10 years, with
24 20 percent of the original principal to be forgiven annually for
25 each additional year beyond the fifth year that the manufactured
26 home is owned and continuously occupied by the borrower.

27 ~~SEC. 3.~~

28 *SEC. 2.* Section 195.170 is added to the Revenue and Taxation
29 Code, to read:

30 195.170. (a) By October 30, 2010, the auditor of the County
31 of Imperial, which was the subject of the Governor's proclamation
32 of a state of emergency for the earthquake that occurred on April
33 4, 2010, shall certify to the Director of Finance an estimate of the
34 total amount of the reduction in property tax revenues on both the
35 regular secured roll and the supplemental roll for the 2009–10
36 fiscal year resulting from the reassessment by the county assessor
37 pursuant to paragraph (1) of subdivision (a) of Section 170 of those
38 properties that are eligible properties as a result of that disaster,
39 except that the amount certified shall not include any estimated

1 property tax revenue reductions to school districts, other than basic
2 state aid school districts, and county offices of education.

3 (b) For purposes of this section, “basic state aid school district”
4 means any school district that does not receive a state
5 apportionment pursuant to subdivision (h) of Section 42238 of the
6 Education Code, but receives from the state only a basic
7 apportionment pursuant to Section 6 of Article IX of the California
8 Constitution.

9 ~~SEC. 4.~~

10 *SEC. 3.* Section 195.171 is added to the Revenue and Taxation
11 Code, to read:

12 195.171. After the county auditor of the eligible county, as
13 described in Section 195.170, has made the applicable certification
14 to the Director of Finance pursuant to that section, the director
15 shall, within 30 days after verification of the county auditor’s
16 estimate, certify this amount to the Controller for allocation to the
17 county. Upon receipt of certification from the Director of Finance,
18 the Controller shall make the appropriate allocation to the county
19 within 10 working days.

20 ~~SEC. 5.~~

21 *SEC. 4.* Section 195.172 is added to the Revenue and Taxation
22 Code, to read:

23 195.172. (a) On or before June 30, 2011, an eligible county,
24 as described in Section 195.170, shall compute and remit to the
25 Controller for deposit in the General Fund an amount equal to the
26 amount allocated to it by the Controller pursuant to Section
27 195.171, less the actual amount of its property tax revenue lost on
28 the regular secured and supplemental rolls with respect to those
29 eligible properties described in Section 195.170 as a result of the
30 reassessment of those properties pursuant to paragraph (1) of
31 subdivision (a) of Section 170, excluding any property tax revenue
32 lost by school districts, other than basic state aid school districts,
33 and county offices of education. If the actual amount of property
34 tax revenue lost by an eligible county in the immediately preceding
35 fiscal year, as described and limited in the preceding sentence,
36 exceeds the amount allocated by the Controller to that county
37 pursuant to Section 195.171, the Controller shall allocate the
38 amount of that excess to that eligible county.

39 (b) For purposes of this section, “basic state aid school district”
40 means any school district that does not receive a state

1 apportionment pursuant to subdivision (h) of Section 42238 of the
2 Education Code, but receives from the state only a basic
3 apportionment pursuant to Section 6 of Article IX of the California
4 Constitution.

5 ~~SEC. 6.~~

6 *SEC. 5.* Section 218 of the Revenue and Taxation Code is
7 amended to read:

8 218. (a) The homeowners' property tax exemption is in the
9 amount of the assessed value of the dwelling specified in this
10 section, as authorized by subdivision (k) of Section 3 of Article
11 XIII of the California Constitution. That exemption shall be in the
12 amount of seven thousand dollars (\$7,000) of the full value of the
13 dwelling.

14 (b) The exemption does not extend to property that is rented,
15 vacant, under construction on the lien date, or that is a vacation or
16 secondary home of the owner or owners, nor does it apply to
17 property on which an owner receives the veteran's exemption.

18 (c) For purposes of this section, all of the following apply:

19 (1) "Owner" includes a person purchasing the dwelling under
20 a contract of sale or who holds shares or membership in a
21 cooperative housing corporation, which holding is a requisite to
22 the exclusive right of occupancy of a dwelling.

23 (2) (A) "Dwelling" means a building, structure, or other shelter
24 constituting a place of abode, whether real property or personal
25 property, and any land on which it may be situated. A two-dwelling
26 unit shall be considered as two separate single-family dwellings.

27 (B) "Dwelling" includes the following:

28 (i) A single-family dwelling occupied by an owner thereof as
29 his or her principal place of residence on the lien date.

30 (ii) A multiple-dwelling unit occupied by an owner thereof on
31 the lien date as his or her principal place of residence.

32 (iii) A condominium occupied by an owner thereof as his or her
33 principal place of residence on the lien date.

34 (iv) Premises occupied by the owner of shares or a membership
35 interest in a cooperative housing corporation, as defined in
36 subdivision (i) of Section 61, as his or her principal place of
37 residence on the lien date. Each exemption allowed pursuant to
38 this subdivision shall be deducted from the total assessed valuation
39 of the cooperative housing corporation. The exemption shall be
40 taken into account in apportioning property taxes among owners

1 of share or membership interests in the cooperative housing
2 corporations so as to benefit those owners who qualify for the
3 exemption.

4 (d) Any dwelling that qualified for an exemption under this
5 section prior to October 20, 1991, that was damaged or destroyed
6 by fire in a disaster, as declared by the Governor, occurring on or
7 after October 20, 1991, and before November 1, 1991, and that
8 has not changed ownership since October 20, 1991, shall not be
9 disqualified as a “dwelling” or be denied an exemption under this
10 section solely on the basis that the dwelling was temporarily
11 damaged or destroyed or was being reconstructed by the owner.

12 (e) Any dwelling that qualified for an exemption under this
13 section prior to October 15, 2003, that was damaged or destroyed
14 by fire or earthquake in a disaster, as declared by the Governor,
15 during October, November, or December 2003, and that has not
16 changed ownership since October 15, 2003, shall not be
17 disqualified as a “dwelling” or be denied an exemption under this
18 section solely on the basis that the dwelling was temporarily
19 damaged or destroyed or was being reconstructed by the owner.

20 (f) Any dwelling that qualified for an exemption under this
21 section prior to June 3, 2004, that was damaged or destroyed by
22 flood in a disaster, as declared by the Governor, during June 2004,
23 and that has not changed ownership since June 3, 2004, shall not
24 be disqualified as a “dwelling” or be denied an exemption under
25 this section solely on the basis that the dwelling was temporarily
26 damaged or destroyed or was being reconstructed by the owner.

27 (g) Any dwelling that qualified for an exemption under this
28 section prior to August 11, 2004, that was damaged or destroyed
29 by the wildfires and any other related casualty that occurred in
30 Shasta County in a disaster, as declared by the Governor, during
31 August 2004, and that has not changed ownership since August
32 11, 2004, shall not be disqualified as a “dwelling” or be denied an
33 exemption under this section solely on the basis that the dwelling
34 was temporarily damaged or destroyed or was being reconstructed
35 by the owner.

36 (h) Any dwelling that qualified for an exemption under this
37 section prior to December 28, 2004, that was damaged or destroyed
38 by severe rainstorms, floods, mudslides, or the accumulation of
39 debris in a disaster, as declared by the Governor, during December
40 2004, January 2005, February 2005, March 2005, or June 2005,

1 and that has not changed ownership since December 28, 2004,
2 shall not be disqualified as a “dwelling” or be denied an exemption
3 under this section solely on the basis that the dwelling was
4 temporarily damaged or destroyed or was being reconstructed by
5 the owner, or was temporarily uninhabited as a result of restricted
6 access to the property due to floods, mudslides, the accumulation
7 of debris, or washed-out or damaged roads.

8 (i) Any dwelling that qualified for an exemption under this
9 section prior to December 19, 2005, that was damaged or destroyed
10 by severe rainstorms, floods, mudslides, or the accumulation of
11 debris in a disaster, as declared by the Governor in January 2006,
12 April 2006, May 2006, or June 2006, and that has not changed
13 ownership since December 19, 2005, shall not be disqualified as
14 a “dwelling” or be denied an exemption under this section solely
15 on the basis that the dwelling was temporarily damaged or
16 destroyed or was being reconstructed by the owner, or was
17 temporarily uninhabited as a result of restricted access to the
18 property due to floods, mudslides, the accumulation of debris, or
19 washed-out or damaged roads.

20 (j) Any dwelling that qualified for an exemption under this
21 section prior to July 9, 2006, that was damaged or destroyed by
22 the wildfires and any other related casualty that occurred in the
23 County of San Bernardino, as declared by the Governor in July
24 2006, and that has not changed ownership since July 9, 2006, shall
25 not be disqualified as a “dwelling” or be denied an exemption
26 under this section solely on the basis that the dwelling was
27 temporarily damaged or destroyed or was being reconstructed by
28 the owner, or was temporarily uninhabited as a result of restricted
29 access to the property due to the wildfires.

30 (k) Any dwelling that qualified for an exemption under this
31 section prior to the commencement dates of the wildfires listed in
32 the Governor’s proclamations of 2006 that was damaged or
33 destroyed by the wildfires and any other related casualty that
34 occurred in the Counties of Riverside and Ventura, and that has
35 not changed ownership since the commencement dates of these
36 disasters as listed in the Governor’s proclamations of 2006 shall
37 not be disqualified as a “dwelling” or be denied an exemption
38 under this section solely on the basis that the dwelling was
39 temporarily damaged or destroyed or was being reconstructed by

1 the owner, or was temporarily uninhabited as a result of restricted
2 access to the property due to the wildfires.

3 (l) Any dwelling that qualified for an exemption under this
4 section prior to January 11, 2007, that was damaged or destroyed
5 by severe freezing conditions, commencing January 11, 2007, and
6 any other related casualty that occurred in the Counties of El
7 Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey,
8 Riverside, San Bernardino, San Diego, San Luis Obispo, Santa
9 Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba as a
10 result of a disaster as declared by the Governor, and that has not
11 changed ownership since January 11, 2007, shall not be disqualified
12 as a “dwelling” or be denied an exemption under this section solely
13 on the basis that the dwelling was temporarily damaged or
14 destroyed or was being reconstructed by the owner, or was
15 temporarily uninhabited as a result of restricted access to the
16 property due to severe freezing conditions.

17 (m) Any dwelling that qualified for an exemption under this
18 section prior to June 24, 2007, that was damaged or destroyed by
19 the wildfires and any other related casualty that occurred as a result
20 of this disaster in the County of El Dorado, as declared by the
21 Governor in June 2007, and that has not changed ownership since
22 June 24, 2007, shall not be disqualified as a “dwelling” or be denied
23 an exemption under this section solely on the basis that the
24 dwelling was temporarily damaged or destroyed or was being
25 reconstructed by the owner, or was temporarily uninhabited as a
26 result of restricted access to the property due to the wildfires.

27 (n) Any dwelling that qualified for an exemption under this
28 section prior to July 4, 2007, that was damaged or destroyed by
29 the Zaca Fire and any other related casualty that occurred as a
30 result of this disaster in the Counties of Santa Barbara and Ventura,
31 as declared by the Governor in August 2007, and that has not
32 changed ownership since July 4, 2007, may not be denied an
33 exemption solely on the basis that the dwelling was temporarily
34 damaged or destroyed or was being reconstructed by the owner,
35 or was temporarily uninhabited as a result of restricted access to
36 the property due to the Zaca Fire.

37 (o) Any dwelling that qualified for an exemption under this
38 section prior to July 6, 2007, that was damaged or destroyed by
39 the wildfires and any other related casualty that occurred as a result
40 of this disaster in the County of Inyo, as declared by the Governor

1 in July 2007, and that has not changed ownership since July 6,
2 2007, may not be denied an exemption solely on the basis that the
3 dwelling was temporarily damaged or destroyed or was being
4 reconstructed by the owner, or was temporarily uninhabited as a
5 result of restricted access to the property due to the wildfires.

6 (p) Any dwelling that qualified for an exemption under this
7 section prior to the commencement dates of the wildfires listed in
8 the Governor's disaster proclamations of September 15, 2007, and
9 October 21, 2007, that was damaged or destroyed by the wildfires
10 and any other related casualty that occurred in the Counties of Los
11 Angeles, Orange, Riverside, San Bernardino, San Diego, Santa
12 Barbara, and Ventura, and that has not changed ownership since
13 the commencement dates of these disasters as listed in the
14 proclamations shall not be disqualified as a "dwelling" or be denied
15 an exemption under this section solely on the basis that the
16 dwelling was temporarily damaged or destroyed or was being
17 reconstructed by the owner, or was temporarily uninhabited as a
18 result of restricted access to the property due to the wildfires.

19 (q) Any dwelling that qualified for an exemption under this
20 section prior to October 20, 2007, that was damaged or destroyed
21 by the extremely strong and damaging winds and any other related
22 casualty that occurred as a result of this disaster in the County of
23 Riverside, as declared by the Governor in November 2007, and
24 that has not changed ownership since October 20, 2007, shall not
25 be disqualified as a "dwelling" or be denied an exemption under
26 this section solely on the basis that the dwelling was temporarily
27 damaged or destroyed or was being reconstructed by the owner,
28 or was temporarily uninhabited as a result of restricted access to
29 the property due to the extremely strong and damaging winds.

30 (r) Any dwelling that qualified for an exemption under this
31 section prior to the commencement dates of the wildfires listed in
32 the Governor's disaster proclamations of May, June, or July 2008,
33 that was damaged or destroyed by the wildfires and any other
34 related casualty that occurred in the Counties of Butte, Kern,
35 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,
36 Shasta, and Trinity and that has not changed ownership since the
37 commencement dates of these disasters as listed in the
38 proclamations shall not be disqualified as a "dwelling" or be denied
39 an exemption under this section solely on the basis that the
40 dwelling was temporarily damaged or destroyed or was being

1 reconstructed by the owner, or was temporarily uninhabited as a
2 result of restricted access to the property due to the wildfires.

3 (s) Any dwelling that qualified for an exemption under this
4 section prior to July 1, 2008, that was damaged or destroyed by
5 the wildfires and any other related casualty that occurred as a result
6 of this disaster in the County of Santa Barbara, as declared by the
7 Governor in July 2008, and that has not changed ownership since
8 July 1, 2008, may not be denied an exemption solely on the basis
9 that the dwelling was temporarily damaged or destroyed or was
10 being reconstructed by the owner, or was temporarily uninhabited
11 as a result of restricted access to the property due to the wildfires.

12 (t) Any dwelling that qualified for an exemption under this
13 section prior to July 12, 2008, that was damaged or destroyed by
14 severe rainstorms, floods, landslides, or the accumulation of debris
15 in a disaster, as declared by the Governor, in July 2008, and that
16 has not changed ownership since July 12, 2008, shall not be
17 disqualified as a “dwelling” or be denied an exemption under this
18 section solely on the basis that the dwelling was temporarily
19 damaged or destroyed or was being reconstructed by the owner,
20 or was temporarily uninhabited as a result of restricted access to
21 the property due to floods, landslides, the accumulation of debris,
22 or washed-out or damaged roads.

23 (u) Any dwelling that qualified for an exemption under this
24 section prior to May 22, 2008, that was damaged or destroyed by
25 the wildfires and any other related casualty that occurred as a result
26 of this disaster in the County of Humboldt, as declared by the
27 Governor in August 2008, and that has not changed ownership
28 since May 22, 2008, may not be denied an exemption solely on
29 the basis that the dwelling was temporarily damaged or destroyed
30 or was being reconstructed by the owner, or was temporarily
31 uninhabited as a result of restricted access to the property due to
32 the wildfires.

33 (v) Any dwelling that qualified for an exemption under this
34 section prior to the commencement dates of the wildfires that were
35 the subject of the Governor’s disaster proclamations of October
36 13, 2008, and November 15, 2008, that was damaged or destroyed
37 by the wildfires and any other related casualty that occurred in the
38 Counties of Los Angeles and Ventura and that has not changed
39 ownership since the commencement dates of these wildfires, shall
40 not be disqualified as a “dwelling” or be denied an exemption

1 under this section solely on the basis that the dwelling was
2 temporarily damaged or destroyed or was being reconstructed by
3 the owner, or was temporarily uninhabited as a result of restricted
4 access to the property due to the wildfires.

5 (w) Any dwelling that qualified for an exemption under this
6 section prior to November 13, 2008, that was damaged or destroyed
7 by the wildfires and any other related casualty that occurred as a
8 result of this disaster in the County of Santa Barbara, as declared
9 by the Governor in November 2008, and that has not changed
10 ownership since November 13, 2008, shall not be disqualified as
11 a “dwelling” or be denied an exemption under this section solely
12 on the basis that the dwelling was temporarily damaged or
13 destroyed or was being reconstructed by the owner, or was
14 temporarily uninhabited as a result of restricted access to the
15 property due to the wildfires.

16 (x) Any dwelling that qualified for an exemption under this
17 section prior to the commencement dates of the wildfires listed in
18 the Governor’s disaster proclamations of November 15, 2008, and
19 November 17, 2008, that was damaged or destroyed by the
20 wildfires and any other related casualty that occurred as a result
21 of this disaster in the Counties of Orange, Riverside, and San
22 Bernardino, as declared by the Governor in November 2008, and
23 that has not changed ownership since the commencement dates of
24 these disasters as listed in the proclamations, shall not be
25 disqualified as a “dwelling” or be denied an exemption under this
26 section solely on the basis that the dwelling was temporarily
27 damaged or destroyed or was being reconstructed by the owner,
28 or was temporarily uninhabited as a result of restricted access to
29 the property due to the wildfires.

30 (y) Any dwelling that qualified for an exemption under this
31 section prior to May 5, 2009, that was damaged or destroyed by
32 the wildfires and any other related casualty that occurred as a result
33 of this disaster in the County of Santa Barbara, as declared by the
34 Governor in May 2009, and that has not changed ownership since
35 May 5, 2009, shall not be disqualified as a “dwelling” or be denied
36 an exemption under this section solely on the basis that the
37 dwelling was temporarily damaged or destroyed or was being
38 reconstructed by the owner, or was temporarily uninhabited as a
39 result of restricted access to the property due to the wildfires.

(z) Any dwelling that qualified for an exemption under this section prior to April 4, 2010, that was damaged or destroyed by the earthquake and any other related casualty that occurred as a result of the disaster in the County of Imperial, as declared by the Governor in April 2010, and that has not changed ownership since April 4, 2010, shall not be disqualified as a “dwelling” or be denied an exemption under this section solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to the earthquake.

(aa) The exemption provided for in subdivision (k) of Section 3 of Article XIII of the California Constitution shall first be applied to the building, structure, or other shelter and the excess, if any, shall be applied to any land on which it may be located.

~~SEC. 7.~~

SEC. 6. Section 17207 of the Revenue and Taxation Code is amended to read:

17207. (a) An excess disaster loss, as defined in subdivision (c), shall be carried to other taxable years as provided in subdivision (b), with respect to losses resulting from any of the following disasters:

(1) Forest fire or any other related casualty occurring in 1985 in California.

(2) Storm, flooding, or any other related casualty occurring in 1986 in California.

(3) Any loss sustained during 1987 as a result of a forest fire or any other related casualty.

(4) Earthquake, aftershock, or any other related casualty occurring in 1987 in California.

(5) Earthquake, aftershock, or any other related casualty occurring in 1989 in California.

(6) Any loss sustained during 1990 as a result of fire or any other related casualty in California.

(7) Any loss sustained as a result of the Oakland/Berkeley Fire of 1991, or any other related casualty.

(8) Any loss sustained as a result of storm, flooding, or any other related casualty occurring in February 1992 in California.

(9) Earthquake, aftershock, or any other related casualty occurring in April 1992 in the County of Humboldt.

1 (10) Riots, arson, or any other related casualty occurring in
2 April or May 1992 in California.

3 (11) Any loss sustained as a result of the earthquakes that
4 occurred in the County of San Bernardino in June and July of 1992,
5 or any other related casualty.

6 (12) Any loss sustained as a result of the Fountain Fire that
7 occurred in the County of Shasta, or as a result of either of the
8 fires in the Counties of Calaveras and Trinity that occurred in
9 August 1992, or any other related casualty.

10 (13) Any loss sustained as a result of storm, flooding, or any
11 other related casualty that occurred in the Counties of Alpine,
12 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
13 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
14 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
15 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
16 Fillmore in January 1993.

17 (14) Any loss sustained as a result of a fire that occurred in the
18 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
19 Diego, and Ventura, during October or November of 1993, or any
20 other related casualty.

21 (15) Any loss sustained as a result of the earthquake, aftershocks,
22 or any other related casualty that occurred in the Counties of Los
23 Angeles, Orange, and Ventura on or after January 17, 1994.

24 (16) Any loss sustained as a result of a fire that occurred in the
25 County of San Luis Obispo during August of 1994, or any other
26 related casualty.

27 (17) Any loss sustained as a result of the storms or flooding
28 occurring in 1995, or any other related casualty, sustained in any
29 county of this state subject to a disaster declaration with respect
30 to the storms and flooding.

31 (18) Any loss sustained as a result of the storms or flooding
32 occurring in December 1996 or January 1997, or any related
33 casualty, sustained in any county of this state subject to a disaster
34 declaration with respect to the storms or flooding.

35 (19) Any loss sustained as a result of the storms or flooding
36 occurring in February 1998, or any related casualty, sustained in
37 any county of this state subject to a disaster declaration with respect
38 to the storms or flooding.

39 (20) Any loss sustained as a result of a freeze occurring in the
40 winter of 1998–99, or any related casualty, sustained in any county

1 of this state subject to a disaster declaration with respect to the
2 freeze.

3 (21) Any loss sustained as a result of an earthquake occurring
4 in September 2000, that was included in the Governor's
5 proclamation of a state of emergency for the County of Napa.

6 (22) Any loss sustained as a result of the Middle River levee
7 break in San Joaquin County occurring in June 2004.

8 (23) Any losses sustained as a result of the fires that occurred
9 in the Counties of Los Angeles, Riverside, San Bernardino, San
10 Diego, and Ventura in October and November 2003, or as a result
11 of floods, mudflows, and debris flows, directly related to fires.

12 (24) Any losses sustained in the Counties of Santa Barbara and
13 San Luis Obispo as a result of the San Simeon earthquake,
14 aftershocks, and any other related casualties.

15 (25) Any losses sustained as a result of the wildfires that
16 occurred in Shasta County, commencing August 11, 2004, and
17 any other related casualty.

18 (26) Any loss sustained in the Counties of Kern, Los Angeles,
19 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
20 and Ventura as a result of the severe rainstorms, related flooding
21 and slides, and any other related casualties, that occurred in
22 December 2004, January 2005, February 2005, March 2005, or
23 June 2005.

24 (27) Any loss sustained in the Counties of Alameda, Alpine,
25 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
26 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
27 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
28 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
29 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
30 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
31 the severe rainstorms, related flooding and slides, and any other
32 related casualties, that occurred in December 2005, January 2006,
33 March 2006, or April 2006.

34 (28) Any loss sustained in the County of San Bernardino as a
35 result of the wildfires that occurred in July 2006.

36 (29) Any loss sustained in the Counties of Riverside and Ventura
37 as a result of wildfires that occurred during the 2006 calendar year.

38 (30) Any loss sustained in the Counties of El Dorado, Fresno,
39 Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San
40 Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa

1 Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject
2 of the Governor's proclamations of a state of emergency for the
3 severe freezing conditions that occurred in January 2007.

4 (31) Any loss sustained in the County of El Dorado as a result
5 of wildfires that occurred in June 2007.

6 (32) Any loss sustained in the Counties of Santa Barbara and
7 Ventura as a result of the Zaca Fire that occurred during the 2007
8 calendar year.

9 (33) Any loss sustained in the County of Inyo as a result of
10 wildfires that commenced in July 2007.

11 (34) Any loss sustained in the Counties of Los Angeles, Orange,
12 Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura
13 as a result of wildfires that occurred during the 2007 calendar year
14 that were the subject of the Governor's disaster proclamations of
15 September 15, 2007, and October 21, 2007.

16 (35) Any loss sustained in the County of Riverside as a result
17 of extremely strong and damaging winds that occurred in October
18 2007.

19 (36) Any loss sustained in the Counties of Butte, Kern,
20 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,
21 Shasta, and Trinity as a result of wildfires that occurred in May or
22 June 2008 that were the subject of the Governor's proclamations
23 of a state of emergency.

24 (37) Any loss sustained in the County of Santa Barbara as a
25 result of wildfires that occurred in July 2008.

26 (38) Any loss sustained in the County of Inyo as a result of the
27 severe rainstorms, related flooding and landslides, and any other
28 related casualties, that occurred in July 2008.

29 (39) Any loss sustained in the County of Humboldt as a result
30 of wildfires that commenced in May 2008.

31 (40) Any loss sustained in the County of Santa Barbara as a
32 result of wildfires that commenced in November 2008.

33 (41) Any loss sustained in the Counties of Los Angeles and
34 Ventura as a result of wildfires that commenced in October 2008
35 or November 2008 that were the subject of the Governor's
36 proclamations of a state of emergency.

37 (42) Any loss sustained in the Counties of Orange, Riverside,
38 and San Bernardino as a result of wildfires that commenced in
39 November 2008.

1 (43) Any loss sustained in the County of Santa Barbara as a
2 result of wildfires that commenced in May 2009.

3 (44) Any loss sustained in the County of Imperial as a result of
4 the earthquake that occurred in April 2010.

5 (b) (1) In the case of any loss allowed under Section 165(c) of
6 the Internal Revenue Code, relating to limitation of losses of
7 individuals, any excess disaster loss shall be carried forward to
8 each of the five taxable years following the taxable year for which
9 the loss is claimed. However, if there is any excess disaster loss
10 remaining after the five-year period, then the applicable percentage,
11 as set forth in paragraph (1) of subdivision (b) of Section 17276,
12 of that excess disaster loss shall be carried forward to each of the
13 next 10 taxable years.

14 (2) The entire amount of any excess disaster loss as defined in
15 subdivision (c) shall be carried to the earliest of the taxable years
16 to which, by reason of subdivision (b), the loss may be carried.
17 The portion of the loss which shall be carried to each of the other
18 taxable years shall be the excess, if any, of the amount of excess
19 disaster loss over the sum of the adjusted taxable income for each
20 of the prior taxable years to which that excess disaster loss is
21 carried.

22 (c) "Excess disaster loss" means a disaster loss computed
23 pursuant to Section 165 of the Internal Revenue Code which
24 exceeds the adjusted taxable income of the year of loss or, if the
25 election under Section 165(i) of the Internal Revenue Code is
26 made, the adjusted taxable income of the year preceding the loss.

27 (d) The provisions of this section and Section 165(i) of the
28 Internal Revenue Code shall be applicable to any of the losses
29 listed in subdivision (a) sustained in any county or city in this state
30 which was proclaimed by the Governor to be in a state of disaster.

31 (e) Losses allowable under this section may not be taken into
32 account in computing a net operating loss deduction under Section
33 172 of the Internal Revenue Code.

34 (f) For purposes of this section, "adjusted taxable income" shall
35 be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

36 (g) For losses described in paragraphs (15) to (44), inclusive,
37 of subdivision (a), the election under Section 165(i) of the Internal
38 Revenue Code may be made on a return or amended return filed
39 on or before the due date of the return (determined with regard to
40 extension) for the taxable year in which the disaster occurred.

~~SEC. 8.~~

SEC. 7. Section 24347.5 of the Revenue and Taxation Code is amended to read:

24347.5. (a) An excess disaster loss, as defined in subdivision (c), shall be carried to other taxable years as provided in subdivision (b), with respect to losses resulting from any of the following disasters:

(1) Forest fire or any other related casualty occurring in 1985 in California.

(2) Storm, flooding, or any other related casualty occurring in 1986 in California.

(3) Any loss sustained during 1987 as a result of a forest fire or any other related casualty.

(4) Earthquake, aftershock, or any other related casualty occurring in October 1987 in California.

(5) Earthquake, aftershock, or any other related casualty occurring in October 1989 in California.

(6) Any loss sustained during 1990 as a result of fire or any other related casualty in California.

(7) Any loss sustained as a result of the Oakland/Berkeley Fire of 1991, or any other related casualty.

(8) Any loss sustained as a result of storm, flooding, or any other related casualty occurring in February 1992 in California.

(9) Earthquake, aftershock, or any other related casualty occurring in April 1992 in the County of Humboldt.

(10) Riots, arson, or any other related casualty occurring in April or May 1992 in California.

(11) Any loss sustained as a result of the earthquakes or any other related casualty that occurred in the County of San Bernardino in June and July of 1992.

(12) Any loss sustained as a result of the Fountain Fire that occurred in the County of Shasta, or as a result of either of the fires in the Counties of Calaveras and Trinity that occurred in August 1992, or any other related casualty.

(13) Any loss sustained as a result of storm, flooding, or any other related casualty that occurred in the Counties of Alpine, Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles, Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas, Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,

1 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
2 Fillmore in January 1993.

3 (14) Any loss sustained as a result of a fire that occurred in the
4 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
5 Diego, and Ventura, during October or November of 1993, or any
6 other related casualty.

7 (15) Any loss sustained as a result of the earthquake, aftershocks,
8 or any other related casualty that occurred in the Counties of Los
9 Angeles, Orange, and Ventura on or after January 17, 1994.

10 (16) Any loss sustained as a result of a fire that occurred in the
11 County of San Luis Obispo during August of 1994, or any other
12 related casualty.

13 (17) Any loss sustained as a result of the storms or flooding
14 occurring in 1995, or any other related casualty, sustained in any
15 county of this state subject to a disaster declaration with respect
16 to the storms and flooding.

17 (18) Any loss sustained as a result of the storms or flooding
18 occurring in December 1996 or January 1997, or any related
19 casualty, sustained in any county of this state subject to a disaster
20 declaration with respect to the storms or flooding.

21 (19) Any loss sustained as a result of the storms or flooding
22 occurring in February 1998, or any related casualty, sustained in
23 any county of this state subject to a disaster declaration with respect
24 to the storms or flooding.

25 (20) Any loss sustained as a result of a freeze occurring in the
26 winter of 1998–99, or any related casualty, sustained in any county
27 of this state subject to a disaster declaration with respect to the
28 freeze.

29 (21) Any loss sustained as a result of an earthquake occurring
30 in September 2000, that was included in the Governor's
31 proclamation of a state of emergency for the County of Napa.

32 (22) Any loss sustained as a result of the Middle River levee
33 break in San Joaquin County occurring in June 2004.

34 (23) Any losses sustained as a result of the fires that occurred
35 in the Counties of Los Angeles, Riverside, San Bernardino, San
36 Diego, and Ventura in October and November 2003, or as a result
37 of floods, mudflows, and debris flows, directly related to fires.

38 (24) Any losses sustained in the Counties of Santa Barbara and
39 San Luis Obispo as a result of the San Simeon earthquake,
40 aftershocks, and any other related casualties.

1 (25) Any losses sustained as a result of the wildfires that
2 occurred in Shasta County, commencing August 11, 2004, and
3 any other related casualty.

4 (26) Any loss sustained in the Counties of Kern, Los Angeles,
5 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
6 and Ventura as a result of the severe rainstorms, related flooding
7 and slides, and any other related casualties, that occurred in
8 December 2004, January 2005, February 2005, March 2005, or
9 June 2005.

10 (27) Any loss sustained in the Counties of Alameda, Alpine,
11 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
12 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
13 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
14 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
15 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
16 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
17 the severe rainstorms, related flooding and slides, and any other
18 related casualties, that occurred in December 2005, January 2006,
19 March 2006, or April 2006.

20 (28) Any loss sustained in the County of San Bernardino as a
21 result of the wildfires that occurred in July 2006.

22 (29) Any loss sustained in the Counties of Riverside and Ventura
23 as a result of wildfires that occurred during the 2006 calendar year.

24 (30) Any loss sustained in the Counties of El Dorado, Fresno,
25 Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San
26 Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa
27 Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject
28 of the Governor's proclamations of a state of emergency for the
29 severe freezing conditions that occurred in January 2007.

30 (31) Any loss sustained in the County of El Dorado as a result
31 of wildfires that occurred in June 2007.

32 (32) Any loss sustained in the Counties of Santa Barbara and
33 Ventura as a result of the Zaca Fire that occurred during the 2007
34 calendar year.

35 (33) Any loss sustained in the County of Inyo as a result of
36 wildfires that commenced in July 2007.

37 (34) Any loss sustained in the Counties of Los Angeles, Orange,
38 Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura
39 as a result of wildfires that occurred during the 2007 calendar year

1 that were the subject of the Governor's disaster proclamations of
2 September 15, 2007, and October 21, 2007.

3 (35) Any loss sustained in the County of Riverside as a result
4 of extremely strong and damaging winds that occurred in October
5 2007.

6 (36) Any loss sustained in the Counties of Butte, Kern,
7 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,
8 Shasta, and Trinity as a result of wildfires that occurred in May or
9 June 2008 that were the subject of the Governor's proclamations
10 of a state of emergency.

11 (37) Any loss sustained in the County of Santa Barbara as a
12 result of wildfires that occurred in July 2008.

13 (38) Any loss sustained in the County of Inyo as a result of the
14 severe rainstorms, related flooding and landslides, and any other
15 related casualties, that occurred in July 2008.

16 (39) Any loss sustained in the County of Humboldt as a result
17 of wildfires that commenced in May 2008.

18 (40) Any loss sustained in the County of Santa Barbara as a
19 result of wildfires that commenced in November 2008.

20 (41) Any loss sustained in the Counties of Los Angeles and
21 Ventura as a result of wildfires that commenced in October 2008
22 or November 2008 that were the subject of the Governor's
23 proclamations of a state of emergency.

24 (42) Any loss sustained in the Counties of Orange, Riverside,
25 and San Bernardino as a result of wildfires that commenced in
26 November 2008.

27 (43) Any loss sustained in the County of Santa Barbara as a
28 result of wildfires that commenced in May 2009.

29 (44) Any loss sustained in the County of Imperial as a result of
30 the earthquake that occurred in April 2010.

31 (b) (1) In the case of any loss allowed under Section 165 of the
32 Internal Revenue Code, relating to losses, any excess disaster loss
33 shall be carried forward to each of the five taxable years following
34 the taxable year for which the loss is claimed. However, if there
35 is any excess disaster loss remaining after the five-year period,
36 then the applicable percentage, as set forth in paragraph (1) of
37 subdivision (b) of Section 24416, of that excess disaster loss shall
38 be carried forward to each of the next 10 taxable years.

39 (2) The entire amount of any excess disaster loss as defined in
40 subdivision (c) shall be carried to the earliest of the taxable years

1 to which, by reason of subdivision (b), the loss may be carried.
2 The portion of the loss which shall be carried to each of the other
3 taxable years shall be the excess, if any, of the amount of excess
4 disaster loss over the sum of the net income for each of the prior
5 taxable years to which that excess disaster loss is carried.

6 (c) "Excess disaster loss" means a disaster loss computed
7 pursuant to Section 165 of the Internal Revenue Code, which
8 exceeds the net income of the year of loss or, if the election under
9 Section 165(i) of the Internal Revenue Code is made, the net
10 income of the year preceding the loss.

11 (d) The provisions of this section and Section 165(i) of the
12 Internal Revenue Code shall be applicable to any of the losses
13 listed in subdivision (a) sustained in any county or city in this state
14 which was proclaimed by the Governor to be in a state of disaster.

15 (e) Any corporation subject to the provisions of Section 25101
16 or 25101.15 that has disaster losses pursuant to this section, shall
17 determine the excess disaster loss to be carried to other taxable
18 years under the principles specified in Section 25108 relating to
19 net operating losses.

20 (f) Losses allowable under this section may not be taken into
21 account in computing a net operating loss deduction under Section
22 172 of the Internal Revenue Code.

23 (g) For losses described in paragraphs (15) to (44), inclusive,
24 of subdivision (a), the election under Section 165(i) of the Internal
25 Revenue Code may be made on a return or amended return filed
26 on or before the due date of the return (determined with regard to
27 extension) for the taxable year in which the disaster occurred.

28 ~~SEC. 9.~~

29 *SEC. 8.* It is the intent of the Legislature to provide in the
30 annual Budget Act those additional reimbursements to local
31 governments that, as a result of Section 5 of this act, are required
32 by Section 25 of Article XIII of the California Constitution.

33 ~~SEC. 10.~~

34 *SEC. 9.* The Legislature finds and declares that this act fulfills
35 a statewide public purpose because of all of the following:

36 (a) The Governor of California has officially proclaimed a state
37 of emergency declaring that the earthquake that occurred within
38 the County of Imperial on April 4, 2010, constitutes conditions of
39 extreme peril to public health and safety to persons and property

1 within that county, thus qualifying affected persons for various
2 forms of governmental assistance and relief.

3 (b) This act is consistent with, and supplements, the proclaimed
4 disaster assistance and relief by providing necessary fiscal
5 assistance and tax relief to affected jurisdictions and persons to
6 allow them to maintain essential basic services and repair damage
7 to, and restore, their homes and businesses.

8 ~~SEC. 11.~~

9 *SEC. 10.* If the Commission on State Mandates determines that
10 this act contains costs mandated by the state, reimbursement to
11 local agencies and school districts for those costs shall be made
12 pursuant to Part 7 (commencing with Section 17500) of Division
13 4 of Title 2 of the Government Code.

14 ~~SEC. 12.~~

15 *SEC. 11.* This act is an urgency statute necessary for the
16 immediate preservation of the public peace, health, or safety within
17 the meaning of Article IV of the Constitution and shall go into
18 immediate effect. The facts constituting the necessity are:

19 In order to timely provide essential relief to those persons and
20 jurisdictions that have suffered damage or loss as a result of the
21 earthquake that occurred in the County of Imperial on April 4,
22 2010, that was the subject of the Governor's proclamation of a
23 state of emergency, it is necessary that this act take effect
24 immediately.